

COMMISSIONERS APPROVAL

CHILCOTT

THOMPSON

LYONS

PLETTENBERG (Clerk & Recorder)

Date.....May 21, 2007

Members Present..... Commissioner Chilcott,
Commissioner Alan Thompson and Commissioner Howard Lyons

Minutes: Beth Farwell

The Board met to discuss the Mill Creek issues with Todd Rall. Commissioner Chilcott called the meeting to order. Todd began by explaining that he has been accused of dumping petroleum down the ditch. Commissioner Chilcott stated there was a report of a machine on the creek at night. As for it being petroleum based, Environmental Health couldn't determine the use. Todd expressed his feelings toward the article that was published in Ravalli Republic. He stated he is not dumping petroleum in the ditch or the creek. If he did spill anything in the yard it would have to run uphill for it to reach the creek. Commissioner Chilcott assured Todd the facts do not support any conclusion. Commissioner Chilcott added that the last meeting had some positive comments. Todd stated he had a meeting with some of the homeowners and the real issue is that they did not want his business there. Commissioner Thompson commented the last meeting had issues with junk vehicles and bad septic. Todd replied when he started his business on this property there was a dead animal that gave a horrible smell. Commissioner Thompson added this is a complicated situation, as the first time they addressed this they dealt with Todd. Promises were made and then the property was sold to someone else.

Commissioner Thompson stated there were some specific complaints against Todd. One woman stated she had bought part of this property and owns a mobile home and is also building. There are lots of issues that may or not be related. Commissioner Thompson further added if Todd has any issue with the allegations in the paper, he needs to call the paper and speak to them. He advised Todd he needs to ask for the actual minutes from the Commissioners Staff before he blamed them for what was printed in the paper. Todd thanked the Commissioners for their time.

The Board also met with Tonia Bloom to discuss a pedestrian/bike path along Willow Creek Road and possible use of CTEP funds. Planner Tristan Riddell, Administrative Director Skip Rosenthal and Engineer John Horat were also in attendance. Tonia began by giving a background on the project. There is a lot of subdivision activity along the area to the west of Willow Creek, showing a need for a ped/bike path. John presented a

map showing the subdivision area and where the proposed path would be. He also explained that a particular subdivision is required to put in a foot bridge and what they would like to do is have the Developer give them the cash necessary to build the bridge, then utilize the CTEP funding for match monies in order to build the ped/bike paths at the same time as the bridge is built.

Commissioner Thompson asked if there was any grant from the school district for this property. Commissioner Chilcott asked if they had the latitude to change the plan once it is approved. Tristan replied yes. Skip stated anytime the County can leverage money for CTEP projects is a good thing. Commissioner Thompson stated that the ped/bike path is utilized every day. Not once has he driven by and not seen anyone on the path. Commissioner Thompson asked if the west side of Eastside Highway would have a broken pathway due to the businesses located there. John replied they would continue the path on the south side.

Commissioner Chilcott asked what the costs are. John replied for 5' wide foot paths, the costs are \$206,000 and for 8' wide foot paths, the costs are \$232,000. Skip asked how much the developer is willing to contribute. John replied \$35,000. Discussion followed.

Commissioner Chilcott stated his only hesitation is the need to be diverse with CTEP funds. Skip indicated CTEP funds can be utilized over a period of five years. Commissioner Chilcott stated that he does not have a problem with the project at all; however he doesn't want to put 'all the eggs in one basket'. Skip stated the State likes what Ravalli County has done with the CTEP monies, particularly in light of using the monies to coordinate with development.

Tonia stated that the next step will be to send in the application which the Board agreed to.

In other business, the Board met for an extension request to the Schrage Addition Tract 2 AP. Planner Tristan Riddell and Planning Staff Laura Robinson was present. Commissioner Chilcott began the meeting by reading a recommendation from the Planning Department in favor of granting the extension. Commissioner Thompson made a motion to approve the extension for Schrage Addition Tract 2 AP. Commissioner Lyons seconded the motion and all voted "aye".

The Board also met for discussion and possible decision on the Trade Center Note with First Interstate Bank. Present was Bank Manager Monte Drake, Accounting Supervisor Jana Exner and Fair Manager Gary Wiley was present by conference call. Gary asked if there was supposed to be a letter of credit. Monte replied that it was one of 4 options. The bank qualified letter was option 2. After some discussion the Board agreed to take Option #3 with the 1% difference in interest rates. Gary expressed concern this option would cost more than he originally agreed to. Discussion took place about the actual payments. Gary stated they have about 50% of the first year payment set aside but they need more revenue from rentals of the First Interstate building. It is not currently renting as well as he expected. Monte stated he will review this and get back to the Board and Gary.

The Board met for discussion and decision on the contract for Chemical Dependency Treatment in the detention facility. Commissioner Chilcott stated the current contract has expired. Commissioner Thompson asked Klarryse Murphy, Internal Auditor, if there was money in the budget to carry this contract forward, possibly utilizing funds allocated into the Sheriff's fund. Commissioner Thompson noted although the Western Montana Addiction Service's contract has expired, they have continued to provide service without getting paid. Commissioner Lyons added the new contract should include back dated services. Commissioner Thompson recommended the Board sign the contract making it retroactive to the expiration date. The Commissioners then discussed the contract with Civil Counsel Alex Beal. Commissioner Chilcott expressed concern regarding approving a contract that is not available for review. Commissioner Thompson made a motion to continue this meeting until tomorrow at 11:30 a.m., at which time they can review the actual contract. Commissioner Lyons seconded the motion and all voted "aye".

The Board met for various administrative issues as follows:

Commissioner Thompson made a motion to approve Resolution No. 2018 which cancels certain elections for trustee positions due to lack of filings. Commissioner Lyons seconded the motion and all voted "aye".

Administrative Director Skip Rosenthal and Civil Counsel Alex Beal were present to discuss the Darby and Victor CTEP Projects. Skip reviewed the Victor project explaining a potential trip hazard in front of the Hamilton House. There is a potential claim due to a woman falling. It was noted Commissioner Chilcott investigated this trip hazard in 2005 and Commissioner Thompson joined Skip to investigate it again this past month. When Commissioner Chilcott met with the owner of the Hamilton House they discussed extending the awning. They were going to come up with a plan and submit it to the Commissioners. Skip further stated since that conversation, they did not receive any plan and the owners have sold the establishment. He has discussed extending the awning with the new owners and painting the area to make it visible to the public. Alex agreed with a pending claim the county needed to do something immediately. Commissioner Chilcott suggested Skip should follow up with a letter to the new owners of the Hamilton House. Skip also addressed the flags being a safety issue. Commissioner Chilcott suggested that be included in the letter.

In regards the Darby CTEP project; Skip received the first bill of \$63,000. Skip stated there is contingency money for this project. Corvallis CTEP is currently under budget.

Discussion also took place about the earmarked Alcohol Tax money. Commissioner Chilcott asked if there were any Medicare match services. It was noted there was no match money to this tax money. Commissioner Thompson made a motion to approve of this earmarked alcohol tax money that will be utilized for services with Western Montana Mental Health. Commissioner Lyons seconded the motion and all voted "aye".

The Board continued their discussion on the contract for Chemical Dependency Treatment in the detention facility. Civil Counsel Alex Beal and Administrative Director Skip Rosenthal were present. Skip explained they would like to continue funding this project. The cost is \$990 per month and the amounts have not increased for this upcoming fiscal year. Commissioner Thompson made a motion to approve the agreement. Commissioner Lyons seconded the motion and all voted "aye".

In regard to the Ravalli County Economic Development Grant for GSK training, Skip has received a request to draw \$322,320 from this grant which requires his signature and Commissioner Chilcott's signature. Commissioner Thompson made a motion to execute the request for the Chairman's signature. Commissioner Lyons seconded the motion and all voted "aye".

The Board also discussed the Jeff Minkler Contract for union negotiations. Skip stated Jeff Minkler had sent a service agreement installment bill in the amount of \$5,500; then resubmitted the bill for \$4,750 per quarter. The existing contract goes until July 1st of 2008. Skip also noted Jeff then sent a revised contract for \$4,000 with an extension date for another year. Discussion followed. Skip's recommendation would be to adjust the payment down to the end of contract date. Commissioner Chilcott stated he does not have a problem with extending the contract another year. Skip suggested they schedule a meeting with Jeff Minkler so they can review the proposed contract.

Skip also requested the Commissioners' signatures for employee action forms.

In other business the Board met to discuss impact fees and specifically the Corvallis School impact fee study. Planner Tristan Riddell, Planning Director Karen Hughes, and Civil Counsel Alex Beal were present along with several members of Corvallis School District. Dan Sybrant, Superintendent of Corvallis Schools began with an opening statement that Corvallis School District commissioned the study May 1st 2007. They utilized the company of Tischler Bise for this study. Dan noted Paul Tischler went through the study and how it was completed. Paul does have recommendations as to how impact fees could be applied. The school board has reviewed this study; their next step is with the Board of County Commissioners for a recommendation of the fees.

Karen stated last spring they brought back Paul Tishler to study the impact fees. He had identified several areas where impact fees could be used. Florence School District has conducted an impact fee study also. The County talked about potentially moving forward with the other facility study because of possibly revising the statutes. Before the fees are implemented their needs to be an impact fee advisory committee. One committee member needs to be a member of the development community and another members needs to be a CPA. It was agreed the membership of this committee needs to be advertised again. Commissioner Lyons asked where the County of Missoula is in all of this impact fee issue. Karen stated she left a message for them and is currently waiting to hear what their meeting results were. Commissioner Thompson recalled there were two Commissioners in favor of moving forward on this committee while another was not.

Commissioner Thompson recalls Missoula County Commissioners also had one Commissioner that was not in favor of the impact fees. Karen stated schools require a unanimous vote. Commissioner Chilcott suggested the need to advertise the establishment of an Impact Fee Advisory Committee consisting of 1 member of Development Community (General Citizen) and 1 member of CPA with three members of the public at large.

Commissioner Chilcott called for public comment.

Phil Connelly addressed the fact the school district would assume all costs for capital improvement. He noted from the year 2000 to present, Ravalli County is in a downward tread, reducing the total impact on schools.

Commissioner Thompson questioned Paul's methodology and commented there has never been an overturn on his advice.

Tonia Bloom asked what support the state provides for schools. She stated in Montana there is no state support for school facilities. It does have a variable from year to year. Corvallis does have some support being a low income area.

Dan Sybrant, Superintendent of Corvallis Schools, stated this is his 9th year in Corvallis. They have tracked dollars that have come in and gone out. They understand that impact fees for subdivisions may or may not apply, but the development community has been generous in most cases offering dollars, however you never know when the lots will be sold in order to track the monies coming in. In a 9 year period, voluntary impact fees have been paid in the amount of \$6-\$7,000. Tomorrow night they plan on talking to the community about long term facility plans. Due to growth in Corvallis, they fee impact fees are a fair way to look at supporting school districts. They would like the County to move forward on the establishment of this committee so they too can move forward.

Roger DeHaan states 'he wants to put his 10 cents in'. He has been interested in planning in Corvallis for a long time. He feels impact fees are important. Corvallis School is growing. They have no alternative but to meet that demand. The fees will be collected from a majority of the people that is moving in. In fairness, try to get as much as you can from the impact fees, making sure they are fair to everyone. You can't ask the little old lady who has been here for 30 years to foot the bill for someone who just moved in with 5 kids.

Tonia Bloom stated there is a way in the formula to take in account the issue of 'double dipping'. Impact fees are not intended to be used for costs of a new facility. Impact fees were to be implemented by the County. Corvallis School District chose to do a study.

Les Rutledge stated impact fees do not solve all of our problems. He is all for the contributions by those who will make money from the development, but on the other hand, we have to recognize up front the County has to pay what is left. Impact fees do not

address the demands on transportation. He also felt impact fees should have the consideration of the longer range.

Jamie Summers questioned was housing affordably put in the structure at all?

Karen Hughes replied they had to use the formula set in statutes. Jamie asked if she can get a copy of it. Karen replied the information is on their website.

Commissioner Thompson stated there is no affordable housing (low income) in Ravalli County. He has sat on the Human Resource board in the past where grants were given to low income individuals, and monies to first time homeowners. They never have to pay it back until they sell the home.

Commissioner Chilcott asked what the enrollment numbers in Corvallis were.

Dan Sybrant replied it has just flattened a bit. They have approximately 40 right now, but every building for K-4 is full. Commissioner Chilcott stated he was told Stevensville had dropped 70. Tonia added that Darby has declined quite a bit, but Hamilton, Corvallis, and Florence have increased. Commissioner Thompson stated by introducing impact fees it will inflate the housing market; a \$200,000 home would go up an additional \$7,200, without anything new being added. We have been struggling with this and affordable housing arguments have been raised. Dan Sybrant added there is a cost that goes with development. Some of the cost will be impact fees for a new home.

Discussion included the fact that money will come from fees versus local taxes. Commissioner Thompson stated hopefully the Montanan legislature will add money to their formula. Dan stated in Corvallis, they are very frugal with their money, as they are the lowest case in our district on spending. Commissioner Thompson asked if they were looking at imposing the maximum impact fees. Dan replied the school board had not actually discussed those amounts at this point. Tonia addressed the issue of affordable housing. She questioned whether by not considering levy impact fees; they could make that problem go away. The real question, is it going to be more heavily placed on newer construction or across the board? The issue of how you pay for the buildings is certainly a consideration of how far ahead you build. Between the schools and the County, the County does not get more money for having more residents, whereas the schools do.

Les Rutledge agrees with Tonia. He stated we are always 'trying to play catch up with our growth'. As growth increases, we should recognize somewhere down the line there will be an increase of taxes. A long term solution has to evolve around planning for growth. If that does not happen there will be a continuing problem with the taxpayers. Commissioner Chilcott added when the former Sheriff was in office from 1986- 98, every year in office, Ravalli County was the highest, fastest growing county in Montana. There has been a decline in level of service over the last 20 years. When we take a snap shot 20-30 years after and say here is our level of service. We want the level of service we saw a decade ago.

Kip Zupnik stated Corvallis is proud of the level of service they give the children. But they do not want to take a step backwards. The school has capital needs; and they listen to the teachers, board and community to see where we need to be. Getting the impact fees will make it easier on the tax payers. What we are asking is for the new people to pay their fair share too. We now have 7 members on our board due to growth.

Wilbur Nisly stated this is not news but is very important. The County does have an industrial base for taxes like a lot of places do. There is a lot of controversy; no control over who comes in but we must make accommodations for those who do. Should they try to hold on to the class sizes they have or work to accommodate the new growth? Although they do not need any new buildings right now, they will, and the question is do they wait or move forward with a proactive approach.

Commissioner Lyons stated 2 or 3 weeks ago he attended a meeting at the school and realizes they are experiencing smaller classrooms and the teachers not getting as much money coming in from the state.

Kip Zupnik stated they currently have 430 students at the high school.

Commissioner Lyons stated impact fees will raise the taxes, because they are assessed. Commissioner Thompson asked Commissioner Lyons to explain that comment. Commissioner Lyons stated even if we have a tax increase of \$300,000; it will not pay for the infrastructure that is needed. There has to be something done. He was dead set against impact fees, but agreed now there is a need for something to be done. There are people on limited income. Flat impact fees sound simple but they have a huge impact on people. There are a lot of ways on how the County can do things but they must be careful on how it is done.

Kip noted on any building project the amount is spread out. Commissioner Chilcott replied he thought this was for capital only. He asked if they are talking about a future bond. Kip and Tonia replied they were.

Commissioner Chilcott commented the fees are going to be taxing new construction. If you have lived here for 30 years and decide to build – you will be taxed.

Commissioner Thompson stated the bottom line is that it 'costs x amount to educate children'. The State dictates how many students per class. On a normal year, you have 17 or 18 kids per class. That's fine however, there are the years that you have 22 to 25 kids in a class and now you have to create another class and hire a teacher because the State maximum is 20 kids per class. There is an extra expense due to the growth. He stated he is still in favor of individual school districts doing a study. Commissioner Thompson further added he is in favor of re-advertising the Impact Fee Advisory Committee openings. Commissioner Chilcott stated the development community should play an active roll. Dan questioned what the timeline would be for the committee.

Karen replied it takes about a month. Then, they will have to review the study and make recommendations to the Commissioners. Commissioner Chilcott stated we need to understand we have advertised for this committee before and received only one response with someone that had no required qualifications.

Tonia stated she would like to thank the Commissioners for moving forward with creating the committee. She recognizes this is a policy issue to make. She also felt they are dealing with is a mix of funding sources that will help pay for funding issues for Corvallis. For example, if impact fees are assessed at \$10,000 on a new house the house is now worth \$210,000, rather than \$200,000. When the house is assessed by the Department of Revenue they now pay on the value of the house, plus the impact fees. She asked if this wasn't double dipping. Alex replied that he does not know how the tax assessors work.

Commissioner Thompson replied he does not think they are appraised separately.

Alex stated that they are all saying the same thing but in a different way.

Commissioner Thompson made a motion to advertise for openings on the Impact Fee Advisory Committee which will include one member of the development community, one CPA and 3 members of the public at large. Commissioner Lyons seconded the motion and all voted "aye".